

Corporate Governance Report 2021

**Ebdaa for Microfinance
Company**

Kingdom of Bahrain

Ebdaa Bank was established in 2009 as the first microfinance bank in the Kingdom of Bahrain thanks to the support of H.R.H Princess Sabeeka Bint Ibrahim Al Khalifa, the wife of the King of Bahrain and the President of the Supreme Council for Women, may God protect her, as well as the Late Prince Talal Bin Abdul Aziz Al Saud, the President of the Arab Gulf Programme for Development (AGFUND).

The bank's prime objective is to support low-income families and contribute to socio-economic empowerment by providing microcredit opportunities to low-income Bahrainis.

Ebdaa Bank serves as a resort for families in need, to improve their overall quality of life. The bank's focus is to assist Bahraini women and youth to ensure their dreams and ideas turn into successful micro-projects.

The bank also manages the special portfolio of H.R.H. Princess Sabeeka Bint Ibrahim Al Khalifa to support and empower women, in cooperation with the Supreme Council for Women and the Labor Fund "Tamkeen".

Ebdaa Bank disburses its loans using both Sharia Compliant and Conventional approaches based on each client's preference. In May of 2017, Ebdaa Bank won the "Best Women Empowerment" Award in Dubai in recognition of Ebdaa's role in supporting and empowering Bahraini women.

Ebdaa was established as a microfinance bank in Bahrain with the prime objective of contributing to alleviating poverty and promoting socio-economic empowerment of the Bahraini community. We serve our society through the provision of sustainable financial services to those in need.

The corporate governance of Ebdaa Bank in line with the Central Bank of Bahrain and Ministry of Industry and Commerce Corporate Governance and subsequent amendments by CBB to avoid any corporate failure and to ensure consistency and transparency across business and shareholders.

The purpose of the Corporate Governance policy is to ensure a conceptually sound Corporate Governance framework for Ebdaa Bank, which is implemented with integrity in accordance with the regulatory environment.

The corporate governance framework is outlined with the purpose to promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

Board Profile and Experience

All directors must understand the board's role and responsibilities under the Commercial Companies Law, Ebdaa Company Corporate Governance Policy and any other laws or regulations that may govern their responsibilities from time to time.

Mrs. Mona Yousif AlMoayyed
Chairman
Independent Director

Mrs. Al Moayyad is a Bahraini Senator. She serves as the Chairwoman of Ebdaa Company since mid-2016. Mona is currently the CEO of Y.K. Almoayyad & Sons, one of the Bahraini's leading family businesses. She provides leadership and mentoring; both directly and indirectly to over 1,000 employees of various nationalities and about a hundred of luxury goods' brands that varies between home electronic appliances, heavy equipment and medical technologies.

Mrs. Al Moayyed was elected as the first woman Board Member at the Bahraini Chamber of Commerce & Industry in 2001. Furthermore, Mona was the first woman to be elected as a board member of a public company (BMMI), to chair the Business Women Committee at Bahrain Chamber, and later to become the Vice-Chairwoman of the Businesswomen Committee of the Federation of GCC Chambers, and a member in the Arab Union Committee for Women.

Voted the third most influential Arab Women's List in the MENA region by Forbes Middle East for 2013, Mona is well known for her charity work and always speaks about the role of women in building a better society today. Mona was voted the fourth most powerful figures among 50 in Bahrain, the 130th among the 500 most powerful women by Arabian Business for 2012, the 74th among 100 most powerful women list by Arabian Business.

Mona was elected as the chairwoman of Bahrain Business Women Committee from 2006 to 2012. She also contributed to the establishment of Expatriates Protection Association (MWPS) and chaired the association between 2005 and 2011. She is currently chairing Al Muntada Society, a Bahrain society set up by academics, journalists and businessmen to promote liberalism in the Kingdom.

Ms. Al Moayyad has been a founding shareholder of Ebdaa Company, in partnership with AGFUND and the private sector to provide sustainable credit opportunities to low-income people.

Mr. Nasser Al-Kahtani
Deputy Chairman
Executive Director

Mr. Al-Kahtani is the Chief Executive Officer of the Arab Gulf Programme for Development – AGFUND, a regional organization based in Riyadh, which was established in 1980 upon the initiative of His Royal Highness, Late Prince Talal Bin Abdul Aziz Al Saud with the support of leaders of the Gulf Cooperation Council Countries.

Under Mr. Al-Kahtani's leadership, AGFUND has funded 1,472 development projects in 133 countries, established nine microfinance banks and four regional organizations for women empowerment, early childhood development, civil society empowerment and open higher education.

Al-Kahtani holds a master degree from the University of Miami since 1989. He is currently a member of the Board of Trustees of the Arab Open University, the Center for Arab Women for Training and Research (CAWTAR), The Arab Council for Childhood and Development (ACCD) and the Arab Network for NGOs, in addition to his Chairmanship of two Microfinance banks and seven memberships in Arab World and Africa boards.

He played leading roles and has bold contributions in the development and upgrading of micro, small and medium finance institutions. He is considered to be one of the most distinguished Arab leaders in the field of international development. Assuming a number of advisory positions and membership of several boards in both public and private sectors, Mr. Al-Kahtani has won the confidence and high esteem of various executive councils functioning in human development and became well known as one of the most influential development leaders in the Arab world. He served as a Director at Gulf Navigation Holding PJSC until January 14, 2016.

Mr. Abdul-Hameed Dawani
Board member
Non-Executive Director

Mr. Abdul-hameed is a member of the Risk Committee and a board member at Ebdaa Company. He is also a board member of many Bahraini companies and is currently an executive member of Al-Jazira Group and a board member of Manama Food Factory. Dawani holds a degree in Civil Engineering from Alexandria University.

Mrs. Samar Wessa Agaibi
Board member
Executive Director

Mrs. Agaibi has over 25 years of experience in the financial sector. She holds a BA degree in Economics from the American University in Cairo (1988), CMA from the United States In 1998, a Certified Diploma in Accounting and Finance from the United Kingdom (CDIPAF, 1995), various Certificates from Bahrain Institute of Banking and Finance (BIBF), and a number of other high qualifications.

At the ESKAN Bank; one of Ebdaa Company's shareholders; Mrs. Agaibi has held several positions throughout her career including risk management, quality, finance, project management and strategic business development. She is also a member of the audit committee. Ms. Agaibi has served on the boards of numerous companies and is currently focusing on major projects alongside relevant government agencies to develop and implement sustainable and affordable housing financial services at the Kingdom. A project that brings the public and private sectors together for the first time.

Mr. Adel Mohamed Ali Bella
Board member
Executive Director

Mr. Adel is the head of the Risk Committee, a member in the Technical Committee and a board member at Ebdaa Company. He currently serves as the Director General of Ebdaa Bank for Microfinance in Sudan, and a board member of different AGFUND banks in the region including Jordan, Syria, Lebanon, Mauritania, and Sierra-Leone. Mr. Bella has extensive experience in the microfinance field, where he held many positions in various microfinance institutions in Sudan. Mr. Adel holds a bachelor's degree in business accounting since 1987 from the University of Khartoum.

Mr. Sanjeev Paul
Board member
Executive Director

Mr. Sanjeev Paul was appointed as Group Chief Executive Officer of Bahrain Development Bank B.S.C (BDB) in May of 2018. BDB is a specialized Bank focused on the financing and development of small and medium businesses in addition to encouraging and supporting the entrepreneurship activities in the Kingdom of Bahrain. BDB adopts a

dynamic and effective strategy for stimulating entrepreneurial activity in implementing its plans for financing & advising small and medium businesses.

Mr. Paul also served as the Chairman and Non-Executive Director of the Board of Directors of Standard Chartered Bank Vietnam Ltd for 3 years till 2019. He is also a member of the governance committee associated with the Board of Directors.

Prior to being appointed as Group CEO at BDB, Mr. Paul accumulated over 30 years of experience as a senior banker at Standard Chartered Bank and was a member of Standard Chartered Bank's global leadership team based out of Singapore. He served as Managing Director and Regional Head for Commercial Banking for ASEAN and South Asia. Before that, he led Standard Chartered Bank's Local Corporates segment globally as its Global Head. The Local Corporate business of Standard Chartered spans over 30 countries including Bahrain and houses the bulk of Standard Chartered's corporate client base.

Sanjeev was also the Global Head for Structured Trade Finance (STF) and was instrumental in building the Bank's Structured Trade Finance into a major global revenue stream for the Bank. Prior to his STF role, he was the Managing Director and Regional Head for Local Corporates business for South Asia. He set-up the Bank's middle market business in India for banking small and medium sized corporates. Mr. Paul also served as a senior risk approver for Standard Chartered Bank for 5 years.

Mr. Paul holds a Bachelor's degree in Engineering from Delhi College of Engineering and an MBA in Finance and Marketing from the University of Delhi in India.

Prof. Bader Eddin A.Ibrahim
Board member
Independent Director

Prof. Badr Eddin received his second honorary degree in economics at the University of Khartoum. He received his master's and doctorate degrees in economics from the University of Manchester in England in the early 1990s.

Professor Ibrahim is President of the Arab Open University in Bahrain and is currently a member of the Arab Gulf Development Program Advisory Committee (AGFUND) in Saudi Arabia, a member of the Technical Committee of the Program, a member of the technical committees of Ebdaa Banks for Microfinance Mauritania, Chairman of the Technical Committee and a Board member of Ebdaa Bank in Sierra Leone. He is a former board member of different microfinance institutions, including the Family Bank for Microfinance in Sudan, the Sudan Rural Development Foundation and the National Foundation for Microfinance, Sudan.

Professor Ibrahim has extensive experience and authored a collection of books in the field microfinance, financial inclusion and micro-enterprises that were printed in England, America, Germany, Saudi Arabia and Sudan. He also has a large portfolio of papers that were published in international magazines in England, Germany, Canada, Egypt, India, Pakistan and Sudan.

The Board Responsibilities

The Board of Directors is collectively and individually responsible for achievement of the corporate objectives of the bank and to ensure that Company functioning does not contravene any legal or regulatory requirements. The Board is also responsible to ensure that the Senior Management and other staff of the Company functions effectively under its supervision and control. Specifically, following are the roles and responsibilities of the Board of directors:

1. The adoption and annual review of strategy (Business Plan);
2. The adoption and review of management structure and responsibilities;
3. The adoption and review of the systems and controls framework;
4. Monitoring the implementation of strategy by management;
5. Determining acceptable levels of risk;
6. Monitoring the preparation of the financial statements that accurately disclose the bank's financial position;
7. Assessing the adequacy of capital to support the business risk of the bank;
8. Setting performance objectives;
9. Reviewing the performance of executive management;
10. Overseeing major capital expenditures, divestitures and acquisition;
11. Overseeing succession planning and replacing key executive when necessary, and ensuring appropriate resource are available, and minimizing reliance on key individuals;
12. Reviewing the remuneration and incentive packages of the Chief Executive Officer;
13. Approving the Yearly Compensation Program as prepared and presented by Human Capital in accordance with the corporate values and the strategy of the bank;
14. Approving budgets and reviewing performance against those budgets and key performance indicators.

Board Level Committees

The Board of Directors has constituted five Committees with specific delegated authorities; All the Committees are reported to the Board of Directors. The Board meetings and its committees are held as and when required but in accordance with the Regulations. The Board meets at least once a quarter.

The Board of Directors and its committees receive regular reports on various aspects of the Company's business from senior management as well as from Internal Audit, Risk Management, Financial Control, and Operations Departments.

Audit and Risk Committee:

Ebdaa Company has an Audit Committee. The committee members must have sufficient technical expertise to enable the committee to perform its functions effectively. The Committee comprises of three directors; the majority of the members should be independent and/or non-executive directors. Such members must have no conflict of interest with any other duties they have for the Company.

The Committee may meet without any other director or any officer of the Company present. The Committee may invite any director, executive, external auditor or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objectives.

The Committee shall meet with such frequency and at such times as it may determine. However, it shall meet at least four times a year. The committee must meet with the external auditor at least twice per year, one of which in the absence of any members of executive management.

The committee shall assist the Board to ensure that the bank has rigorous controls for financial audit and reporting, internal control, and compliance with applicable law. The Committee shall act as the oversight function on behalf of the Company's Board of Directors in respect of those activities throughout the Group that give rise to credit, market, liquidity, and interest rate, operational or reputational risk.

| | Members | Primary Responsibilities |
|---|------------------------------------|--|
| 1 | Mrs. Mona AlMoayed - Head | <ul style="list-style-type: none">•Financial Audit Reporting.•Internal Audit.•External Audit.•Compliance.•Risk Management.•AML. |
| 2 | Prof. Bader AlDin Ibrahim - Member | |
| 3 | Mrs. Samar Wessa - Member | |

Remuneration, Nomination committee:

Ebdaa Company should have Remuneration; Nomination Committee to consider the human resources policies and procedure for the bank and the remuneration policy for senior executives whose appointment requires Board approval. The Committee shall comprise not less than three independent non-executive directors. The Chairman of the Committee shall be appointed by the Board.

The Committee may invite any director, executive or other person to attend any meeting(s) of the Committee as it may from time to time consider desirable to assist the Committee in the attainment of its objective. The Committee shall be supported by the Chief Executive Officer, Human Capital and by the Committee Secretary who shall produce such papers and minutes of the Committee's meetings as are appropriate and circulate them to all members of the Committee.

The committee shall identify board members qualified to fill vacancies on any committee of the board and recommend to the board that such person appoint the identified person(s) to such committee; and Identify persons qualified to become Chief Executive Officer, Chief Financial Officer, Corporate Secretary and any other officers of the bank considered appropriate by the Board, with the exception of the appointment of the internal auditor which shall be the responsibility of the Audit Committee.

Also, their responsibilities to review and recommend new or amended salary scale and incentive bonus for the Company and its subsidiaries which are substantial in their cost and impact on a significant proportion of employees;

| | Members | Primary Responsibilities |
|---|---------------------------------|--|
| 1 | Mr. Nasser AlKahtani - Head | <ul style="list-style-type: none">•Human Resources.•Administration.•Compensation and incentives. |
| 2 | Mr. AbdulHameed Dawani - Member | |
| 3 | Mr. Adel Bella - Member | |

Technical Committee:

The Technical Committee shall be comprised of a minimum of three directors, all of whom shall be non-executive directors and a majority of whom shall be independent directors. The primary purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities on specific technical matters which are beyond the scope or expertise of non-technical Board members. The Committee shall oversee and advise the Board and the Corporation's management team in relation to the development and advancement of the Corporation's mining assets.

Also, reviewing and reporting to the Board on the sufficiency of financial, operational and human resources to ensure proper and timely development and advancement of the Corporation's exploration, project and mining operations; and reviewing and reporting to the Board on the sufficiency of financial, technical and human resources to ensure proper and timely development and advancement of the Corporation's exploration, project and mining operations (having regard to the Corporation's strategy); and any additional matters delegated to the Committee by the Board.

The Committee shall meet with such frequency and at such times as it may determine. However, it shall meet at least four times a year.

| | Members | Primary Responsibilities |
|---|------------------------------------|--|
| 1 | Mr. Adel Bella - Head | <ul style="list-style-type: none"> •Advising. •Evaluating the work outcomes. •Reviewing the new products. |
| 2 | Prof. Bader AlDin Ibrahim - Member | |
| 3 | Mohammed Al Saleem - Member | |

Corporate Governance Committee:

Ebdaa Company has a Governance Committee. The committee Identify individuals qualified to become members of the Board of Directors, consistent with criteria approved by the Board, and recommend to the Board of Directors the director-nominees either for election at the next annual meeting of stockholders or to fill any vacancy or newly- created directorship on the Board; they also develop and recommend to the Board the Company's Corporate Governance Guidelines, including criteria for the selection of new directors to serve on the Board of Directors, taking into account at a minimum all applicable laws, rules, regulations and listing standards, desirable and diverse experience and areas of expertise and other factors relative to the overall composition of the Board; and oversee the evaluation of the Board and management.

The committee primary role is to review the Corporate Governance Guidelines on an annual basis, or more frequently if appropriate, and recommend changes, as necessary, to the Board.

The Committee shall meet as frequently as circumstances dictate, but not less than twice annually. The Secretary of the Board, the Chairperson the Chairperson of the committee may call meetings of the Committee. The Committee may invite to its meetings any director, member of management of the bank.

| | Members | Primary Responsibilities |
|---|---------------------------------|--|
| 1 | Mr. Nasser AlKahtani - Head | <ul style="list-style-type: none"> •Reviewing the performance of executive management. •review the Corporate Governance Guidelines. •Monitoring the implementation of strategy by management. |
| 2 | Mr. AbdulHameed Dawani - Member | |
| 3 | Mr. Sanjeev Paul - Member | |

All the above Committees are reported to the Board of Directors. The Board meetings and its committees are held as and when required but in accordance with the Regulations. The Board meets at least once a quarter.

The Board of Directors and its committees receive regular reports on various aspects of the Company's business from senior management as well as from Internal Audit, Risk Management, Financial Control, and Operations Departments.

Share Holders of Ebdaa Company:

| Shareholder | Paid-up Capital (BD) | % of Ownership |
|------------------------|----------------------|----------------|
| AGFUND | 934,720 | 42.30 % |
| BDB | 467,000 | 21.13 % |
| ESKAN BANK | 377,000 | 17.06 % |
| Mr. AbdulHameed Dawani | 186,800 | 8.45 % |
| Mr. Khaled Kanoo | 150,800 | 6.83 % |
| Mrs. Mona AlMoayed | 93,400 | 4.23 % |
| Total Capital | BHD 2,209,720 | 100 % |

Attendance of the Board Meetings:

Individual board members should attend at least 75% of all board meetings in a given year to enable the board to discharge its responsibilities effectively. Attendance proxies for board meeting are prohibited at all times.

| Board Members | Meetings Dates | | | |
|---------------------------|----------------|-----------|-----------|------------|
| | 28/4/2021 | 24/6/2021 | 29/9/2021 | 23/12/2021 |
| Mrs. Mona AlMoayyed | ✓ | ✓ | ✓ | ✓ |
| Mr. Nasser Al-Kahtani | ✓ | ✓ | ✓ | ✓ |
| Mr. Abdul-Hameed Dawani | ✓ | ✗ | ✓ | ✓ |
| Mrs. Samar Agaibi | ✓ | ✓ | ✓ | ✓ |
| Mr. Adel Bella | ✓ | ✓ | ✓ | ✓ |
| Mr. Sanjeev Paul | ✓ | ✓ | ✓ | ✗ |
| Prof. Bader Eldin Ibrahim | ✓ | ✓ | ✓ | ✓ |

Management:

Dr. Khaled Al-Gazzawi CEO

Since 01/04/2014, Dr. Khaled Al-Gazzawi is serving as the CEO of Ebdaa Microfinance Company in Bahrain. He came in with over 19 years of experience in microfinance and more than eight years of experience in the financial and banking sector.

Dr. Al-Gazzawi holds an Occupational PhD in International Business from the United States and a Master's and Bachelor's Degree in Business Administration and Finance from Jordan. He is a certified trainer in several areas of Microfinance, such as Business Planning, Impairment Management, Interest Rate setting, Accounting, Operational Risk Management And financial analysis.

Prior to joining the Family of Ebdaa Bank, Dr. Al-Gazzawi served as the General Manager of Grameen-Jameel for Microfinance in Dubai, United Arab Emirates. Prior to that, he served as a resident advisor to the Arab Gulf Programme for Development (AGFUND) in Lebanon, where he led efforts to launch Ebdaa Company for Microfinance in Lebanon and managed to train and build the capacity of employees and launch the Bank's financing activities for the poor in less than 90 days.

Between 2009 and 2012, Khaled served as CEO of the First Microfinance Foundation in Egypt, which is affiliated to the Aga Khan Microfinance Agency in Geneva, Switzerland, and a consultant to the Quality Finance International, which operated out of Cairo between 2007 and 2009.

From early 2006 until the middle of 2007, Khaled operated out of Washington, DC as Director of the Greater Middle East Program at the World Village Banks (FINCA). Immediately before, between 1999 and 2005, Dr. Al-Gazzawi was one of the founders

and the CEO of Jordan Microcredit Company (Tamweelcom), one of the leading microfinance companies in Jordan, fully owned by Queen Noor Al Hussein Foundation and funded by the US Agency for International Development. During his tenure, Tamweelcom became one of the leading providers of microfinance services in Jordan and has won prestigious international awards on various occasions for its transparency and dedication to poverty reduction and good governance.

Ghaith Al Munem
Operation Manager

Mr. Al-Munem has been working in the microfinance arena since early 2011 when he joined the EbdAA Microfinance Bank in Syria on April 1, 2011. He has held several positions until he became a Branch Manager in the beginning of 2016. He later moved to EbdAA Company in Bahrain due to the tragic war in Syria.

Ghaith started his career in the Company as a loan officer and was soon promoted to a group leader in the bank's branch at Riyadat mall in Aali area when it was still under construction. He then took charge of the Branch when it was officially launched late 2016, and finally took over the position of Regional Manager responsible for the Riyadat and Hamad Town branches in December of 2017, before he was finally promoted to the Operations Manager position Mid of 2018.

Hana Salman
Senior Credit Officer

Ms. Hana Salman holds a Bachelor's degree in Business Administration from the Arab Open University. She joined EbdAA Company as a loan officer in 2016, and then she held several leadership positions, including a team leader in 2017 and Riyadat branch Manager in 2018, and was appointed as a Senior Credit Officer in 2019. Ms. Hanaa has also attended multiple microfinance courses.

Mashaeh Saleh
Finance Manager

Ms. Mashaeh holds a Bachelor's degree in Accounting from Bahrain Polytechnic University. She worked for Citi Islamic Investment Bank for two years before joining Ebdaa Company as an accountant. Ms. Saleh attended several courses in banking, financial management and financial planning.

Ali Mohamed
IT Senior Officer

Mr. Ali Mohamed joined Ebdaa Company in 2018 as an IT support officer before he was promoted to an IT senior Officer in 2019. Prior to joining Ebdaa Company, Ali worked for Solidarity and Almoayyed Contracting Group. Mr. Ali supervises the bank's technical infrastructure and develops plans to ensure the Bank's continued operations.

Yousif Qamber
HR & Administration Manager

Mr. Yousif Qamber has been a member of the Ebdaa Company team nearly since its establishment. He joined the bank in July 2009 as an Administrative Coordinator in the Human Resources and Administration Department. In July 2011, he was appointed as Executive Secretary of the CEO and Board of Directors. Mr. Yousif has demonstrated outstanding skills and continued to gradually upgrade in positions until he was appointed Senior Supervisor of Human Resources and Management at the Bank in April of 2016. Mr. Yousif holds a specialized diploma from the Bahrain Training Institute and Bachelor's degree in Business Administration from the Arab Open University. He also attended several conferences and professional courses and received many certificates in microfinance and specialized certificates in human resources and Administration.

Hamzeh Qteshat
Senior Collection Officer

Mr. Hamzeh Qteshat has been working at Ebdaa Company since March 2015, and has served in several positions until he became the senior first officer - collections at the beginning of 2018.

Hamzeh began his career in the Company as a loan officer and was then transferred to the collection department as a Delinquent Clients' Collection Officer. He showed outstanding skills and received a promotion to become the Collection Officer in

the Aali branch and was then promoted to Senior First Officer - Collection. He has also attended numerous conferences and professional courses and has received many certificates in microfinance.

Sara Alhaddad

Acting Compliance officer & DMLRO

Ms. Sara holds a Bachelor's degree in Banking and Finance from Bangor University She worked for Canara Bank for two years before joining Ebdaa Company as an accountant. Ms. Sara attended several courses in AML, Compliance and financial planning.

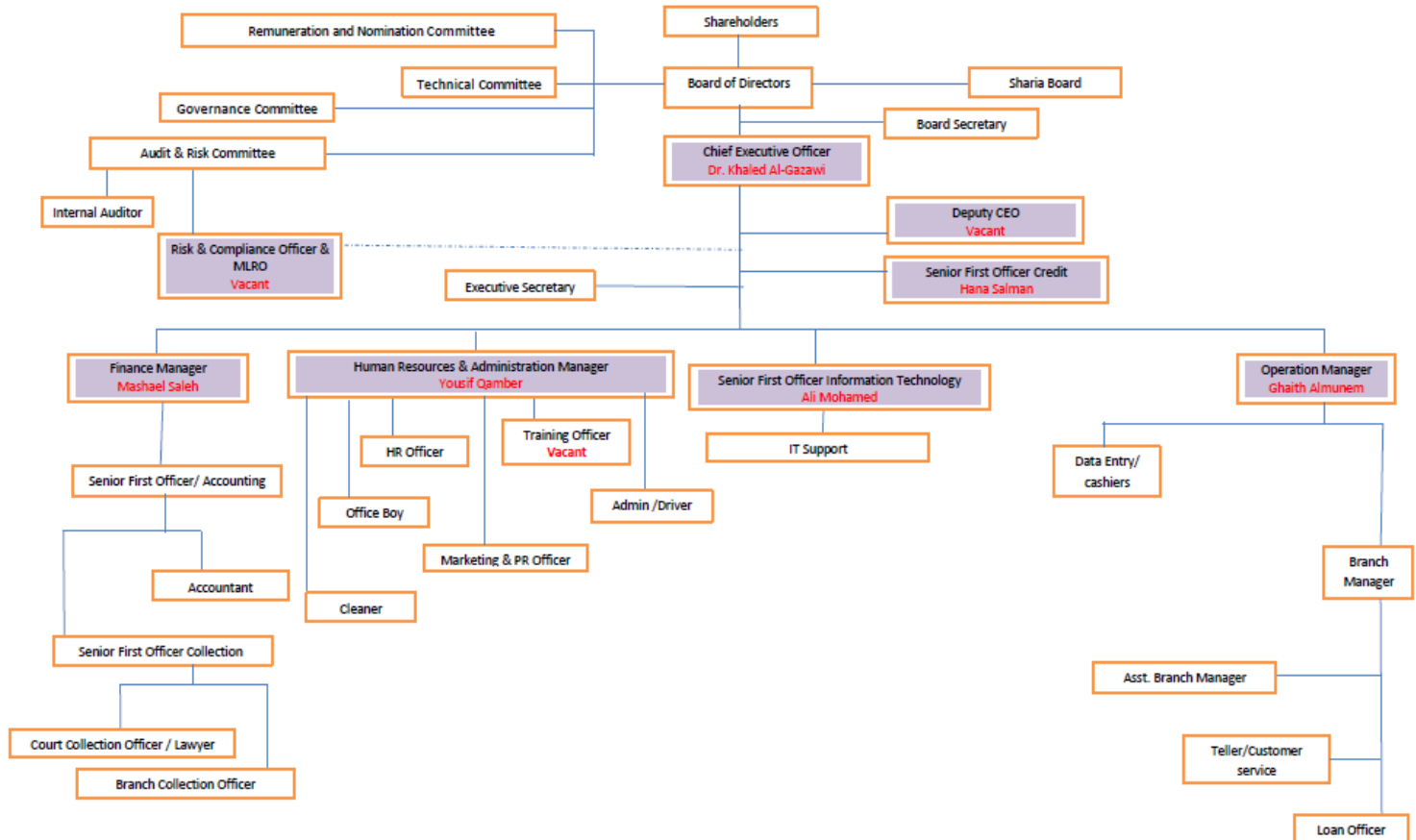
Management committees

The Board of Directors delegates the authority for day-to-day management of the business to the Chief Executive Officer (CEO) who is responsible for implementing the Company's strategic plan. The CEO manages the Bank through the following management committees:

| Committee | Primary Responsibilities |
|--------------------------|---|
| Purchasing Committee | Budget, Administration issues. |
| Human Resource Committee | Discuss all HR issues and recommend actions. |
| Credit Committee | Approve loans, monitor loans, review risk and provisions. |

Organizational chart:

Ebdaa Company shall have Organization Structure clearly define the main departments, senior management, their duties, functions and reporting line. The Organization Structure and any amendments should be approved by the Board of Directors.



Conflict of Interest:

The policy is established to be distributed to board members and management, this policy is for the identification, reporting, disclosure, prevention, or strict limitation of potential conflicts of interest. It is senior management's responsibility to implement these policies.

As per CBB requirements, any decisions to enter into transactions, under which approved persons would have conflicts of interest that are material, should be formally and unanimously approved by the full Board. Best practice would dictate that an approved person must:

- a) Not enter into competition with the bank;
- b) Not demand or accept substantial gifts from the bank for himself or his associates;
- c) Not misuse the bank's assets;
- d) Not use the bank licensee's privileged, information or take advantage of business opportunities to which the bank licensee is entitled, for himself or his associates; and
- e) Absent themselves from any discussions or decision-making that involves a subject where they are incapable of providing objective advice or which involves a subject or (proposed) transaction where a conflict of interest exists.

Each approved person must inform the entire board of conflicts of interest in their activities with, and commitments to other organizations as they arise and abstain from voting on the matter in accordance with the relevant provisions of the Company Law. This disclosure must include all material facts in the case of a contract or transaction involving the approved person. The approved persons must understand that any approval of a conflicted transaction is effective only if all material facts are known to the authorizing persons and the conflicted person did not participate in the decision.

In any case, all approved persons must declare in writing all of their other interests in other enterprises or activities to the Board on an annual basis.